September 14, 2015

CERTIFIED RETURN RECEIPT
7013 3020 0002 3659 6009

Michael Pauletto
I&P Investments Inc.
11204 Northwest 37th Court
Vancouver, WA 98685

Subject: <u>Evaluation of Reclamation Surety, I&P Investments Inc., Green Peak Mine, M/003/0060, Box Elder County, Utah</u>

Dear Mr. Pauletto:

The last reclamation cost estimate for the Green Peak mine was completed in 2010 and escalated to 2015, with a bond escalation date of May 18, 2015, so the reclamation surety amount is now due for review and adjustment. The Division of Oil, Gas and Mining may adjust the amount of reclamation surety as the result of a periodic review taking into account inflation/deflation based on an acceptable cost index (R647-4-113.6).

To properly calculate the reclamation surety, the Notice of Intention to Commence Large Mining Operations (LMO) needs to be up to date to ensure it is adequate and reflects the current operating conditions. Any necessary changes should be addressed by submitting an amendment to the LMO using form MR-REV (LMO).

In addition the Division has developed worksheets to assist both the Division and mine operators to calculate the reclamation cost using standard unit costs. Please contact Wayne Western for assistance with these forms. Once the forms have been reviewed, the Division will ask that you adjust the amount of surety to reflect the current reclamation cost estimate. **Please submit the reclamation cost estimate as an amendment to the LMO by November 2, 2015.**

Please contact Lynn Kunzler at 801-538-5310 for the LMO update, Wayne Western at 801-538-5263 for the bond update, or me at 801-538-5261 if you have other questions regarding this letter. In reply please refer to file number M/041/0012.

Sincerely,

Paul B. Baker
Mining Program Manager

PBB: mbt: pb
cc: Michael Nelson, BLM (mnelson@blm.gov)
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